



Briefing Paper
INITIATIVE 976
IMPACTS TO THE CITY OF SPOKANE
City of Spokane
September 2019

Introduction

Initiative 976 is on the ballot in Washington state as part of the November 2019 election.

If approved by voters, the initiative would:

- Limit motor vehicle license fees to \$30 a year.
- Repeal the authority of Transportation Benefit Districts to impose vehicle fees.
- Repeal or reduce certain motor vehicle weight fees.
- Reduce electric vehicle fees to \$30/year from \$150.
- Repeal the 0.3% tax on motor vehicle retail sales.
- And make other changes to transportation-related fees and taxes.

Impacts of Initiative 976

- ***Elimination of Spokane TBD funding for street and pedestrian improvements.***

Within the limits of the City of Spokane, vehicle owners pay a \$20 Transportation Benefit District (TBD) fee for street and pedestrian improvements. The City collected about \$3 million from this fee in 2018, and already has collected about \$2 million in 2019. The bulk of this funding is dedicated to residential street improvements; it represents more than half the investment the City makes in residential streets annually. Additionally, 10 percent of the funding is earmarked to implement pedestrian projects, including constructing missing sidewalks and funding sidewalks around schools. TBD funding would stop, effective Dec. 5, if this measure passes.

- ***Possible loss of state funding for City of Spokane transportation projects.***

Grants and loans from the state for local transportation projects are expected to be reduced. The changes in transportation funding included in this measure will result in lower revenues for a number of state accounts that pay for transportation improvements, including the Motor Vehicle Fund, the Transportation Improvement Account, and the Multimodal Transportation Improvement account, among others. Some of these funds are used to provide grants and loans to cities, counties, and local transit agencies for street, bicycle and pedestrian, and transit projects. For example, the Transportation Improvement Account is tied to the Transportation Improvement Board (TIB). Recent City projects that TIB funding include Five Mile Road, MLK Jr Way, and Sunset Boulevard. The city also is seeking TIB funds for portions of the planned reconstruction of Riverside Avenue in downtown.

- ***Possible reduced investment in the Spokane area by WSDOT.***

Overall, the State Office of Financial Management projects that over the next six years the state would see a revenue loss of \$1.9 billion and local governments would experience a loss of \$2.3 billion. Lower funding levels could reduce WSDOT investment in the Spokane area. For example, the North Spokane Corridor construction is being paid for through the state's Connecting Washington Funding Package, which includes revenues from passenger vehicle weight fees that would be reduced under this initiative. Vehicle weight fees account for \$2 billion of the total \$16 billion Connecting Washington package.



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